



## Is PNG a fragile state?

By Nematullah Bizhan and Emmanuel Gorea  
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In 2018, then Shadow Minister for Treasury and Finance and current Treasurer Ian Ling-Stuckey stated that Papua New Guinea was a fragile state because of the government's failing economic policies. However, then Prime Minister Peter O'Neill [refuted the idea](#), saying that PNG was not fragile.

Is PNG a fragile state? This is the question we try to answer in our new [Devpolicy Discussion Paper](#).

State fragility can be assessed across three distinct, but interdependent dimensions: state legitimacy, capacity and authority, as well as economy and resilience. Fragile states exhibit deficiencies across one or more of these.

PNG exhibits a number of dominant features that have shaped a particular form of state fragility. The state has limited capacity and authority; political instability had been prevalent; and the economy had not delivered to expectation.

While variations can be observed across different sectors, overall, the PNG state has limited capacity, falling short in delivering essential services, such as health and education.

Geography and institutions in PNG, in particular, have contributed to this. Its archipelagic landscape, social fragmentation and the legacy of highly centralised institutions inherited from the colonial era have proved to be challenges for forging a national identity, effective state institutions, and effective public administration reform.

In addition, a high level of crime in major cities and prevalent low-level violence indicates low state authority. While the ratio of police to the population at Independence was 1:380, it is now around 1:1404, which is well below the United Nations recommended ratio of 1:450.

The decade-long armed conflict in Bougainville was the most intense in the Pacific since World War II. While the conflict has subsided through a political settlement, prospects are

uncertain. The transition of Bougainville to an independent state or one with greater autonomy will have major ramifications, not only for it but also for other resource-rich provinces.

As far as the PNG economy is concerned, it has four dominant features. These are the existence of a large informal sector, heavy natural resource dependency, significant inequality, and high poverty. Even though PNG is a resource-rich country, successive governments have not converted the mineral boom's economic benefits into effective development outcomes, and high levels of poverty and inequality exist.

On the legitimacy front, despite improved political stability since 2003, a recent challenge to replace Prime Minister James Marape indicated a possible return of instability. From Independence until 2002, no prime minister was able to complete a full five-year term in office, while between 2002 and 2019, no prime minister was able to complete a second term.

On the positive side of the ledger, despite persistent political instability, democracy itself has survived a half-century in PNG. Local communities exhibit resilience, offering informal social safety nets through the *wantok* system, helping to prevent starvation and encouraging reciprocal cooperation. While the former may be because of societal diversity and the consensual nature of decision-making embedded in communities, the latter can be credited to the reciprocal nature of cooperation at the community level.

So, is PNG a fragile state? In our Discussion Paper, we conclude that PNG should be classified as a "stable-fragile". By this, we mean that despite being a fragile state, democracy in PNG has survived, the state has not collapsed, and communities exhibit great resilience.

What of the future for PNG's fragility? We project two negative scenarios, one positive and one uncertain.

One negative scenario is that violence increases in both intensity and scale. Another negative scenario sees more regional fragmentation. Bougainville opts for independence and other provinces follow suit.

There is also a positive scenario, with incremental reform and a crackdown on corruption. Infrastructure improves. Resource dependency declines. With increased economic activity, there is less violence. This leads to a more competitive economy and more diversification.

The uncertain scenario emerges from consideration of the end of PNG's non-renewable resource wealth. As it declines, the economy will be less resource-dependent. This can be

interpreted in both a positive and a negative way. The positive one is that the state will become less of a prize. More entrepreneurs will emerge. Symptoms of “Dutch disease” and the “resource curse” will reduce. However, the loss of revenue will also mean less stability.

PNG is a young country. Its modern history has only just started to be written. While the country can now be characterised as stable-fragile, from a longer perspective it is undoubtedly still in transition.

*Read Nematullah Bizhan and Emmanuel Gorea’s Devpolicy Discussion Paper “A weak state and strong microsocieties in PNG” [here](#).*

## **Disclosure**

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